



DEPARTMENT OF THE NAVY  
COMMANDER U. S. NAVAL FORCES, JAPAN  
PSC 473 BOX 12  
FPO AP 96349-0051

11300  
Ser N01RE/0639  
15 APR 03

From: Commander, U.S. Naval Forces, Japan  
To: Commander, Naval Facilities Engineering Command  
Via: Commander, U.S. Pacific Fleet (N01, N46, N80)

Subj: CNFJ STRATEGIC UTILITIES INITIATIVE

Ref: (a) VTC mtg CNFJ (N01RE) CAPT Orndoff/COMPACFLT (N46) RDML Crisp  
of 19 Feb 03  
(b) Mtg CNFJ (N01RE) CAPT Orndoff/NAVFAC Mr. Roark and CAPT Beary  
of 7 Mar 03

Encl: (1) Business Case Analysis (BCA) for SUI of 24 Mar 03

1. Request your support and approval to implement the recommendations of our Strategic Utility Initiative (SUI), as discussed in concept during references (a) and (b).
2. Effective utility management is critical to our CNFJ Region mission success. For over two years, my Staff has carefully analyzed how we manage utilities, looking for opportunities to maximize both mission effectiveness and efficiency, consistent with Navy and Fleet guidance. Enclosure (1) is the resulting report.
3. After careful review of this analysis, I am convinced that the best solution for CNFJ Region utility management is to **fully leverage the existing core utility management capability** of U.S. Navy Public Works Center (PWC), Yokosuka, Japan and the Navy Working Capital Fund (NWCFF) business model. I fully endorse the BCA recommendation.
4. The business model change I propose moves the approximately 40% of our utility mission (primarily at Naval Air Facility Atsugi and Fleet Activities Sasebo) from "mission funded" to NWCFF. This would bring utility management of all U.S. Navy bases in Japan under one structure, managed for the Region by PWC Japan, beginning Fiscal Year 2005.
5. I am committed to make this change cost neutral (zero cost growth) to COMPACFLT in transition. I am convinced that this change will enable significant future utility cost avoidance and savings.
6. My Regional Engineer, Regional Business Manager, and Regional Comptroller are fully engaged with PWC Japan in the development of future utility rates. I am confident that the proposed change gives me greater cost control and increased flexibility to deal with our dynamic overseas environment.

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7. My primary point of contact for this initiative is Captain Don Orndoff, CNFJ Regional Engineer, at DSN 243-7711 or [orndoffdh@pwcycoko.navy.mil](mailto:orndoffdh@pwcycoko.navy.mil).

  
ROBERT C. CHAPLIN